

Key figures

PERFORMANCE (IC EUR SHARE)

MTD (Month to Date)	-0.49%
YTD (Year to Date)	+2.14%

FUND SIZE

EUR 182.64m

NET ASSET VALUE PER UNIT

IC EUR share EUR 1,139.83

Financial data

NUMBER OF LINES/ISSUERS

287 / 210

NUMBER OF SECTORS¹

34

% MARKET EXPOSURE

99.59%

THEORETICAL BETA

1.00

AVERAGE RATING²

B+ (fund) / BB- (index)

MODIFIED DURATION

3.23 (fund) / 3.58 (index)

OPTION ADJUSTED SPREAD (OAS)

425bps (fund) / 378bps (index)

AVERAGE YIELD TO WORST

3.63% (fund) / 3.22% (index)

AVERAGE YIELD TO MATURITY

3.68% (fund) / 3.22% (index)

¹ Bloomberg sectors

² Based on the worst rating from S&P and Moody's

MORNINGSTAR CATEGORY

EUR High Yield Bonds



Investment strategy and fund's objective

SCOR Funds - Europe High Yield invests in Euro-denominated high yield bonds. The fund's investment objective is to achieve a performance greater or equal to the "Bloomberg Pan Europe High Yield 2.5% issuer constrained ex Financial" index, less any fees or expenses to be borne by the fund, throughout the recommended investment period.

Key points:

- the investment process aims to build a highly diversified portfolio
- fundamental issuer analysis is at the heart of the investment process
- an investment universe comprising securities denominated in EUR, GBP, CHF and other European currencies
- no investments in bonds issued by financial institutions neither in credit derivatives

NAV since inception (basis 1,000)



Cumulative performance

	YTD	1 month	3 months	1 year	3 years	inception*
IC EUR share	+2.14%	-0.49%	-1.01%	+3.05%	+16.20%	+13.98%
Index	+2.65%	-0.42%	-0.98%	+3.38%	+15.39%	+13.82%

Calendar performance

	YTD 2021	2020	2019	2018	2017	2016
IC EUR share	+2.14%	+4.93%	+8.91%	-3.25%	+0.93%*	-
Index	+2.65%	+2.33%	+10.68%	-3.59%	+1.55%*	-

Annualized performance

	3 years	5 years	inception*
IC EUR share	+5.13%	-	+3.05%
Index	+4.88%	-	+3.02%

index = Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Bloomberg code: H20718EU Index)

* Since inception of the share class (refer to characteristics)

Performance is net of fees, includes dividends and is based on net asset values adjusted to swing pricing. Past performance is not a reliable indicator of future performance.

Contact

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SCOR FUNDS - EUROPE HIGH YIELD

Monthly report – November 30, 2021

Top 10 exposures

ISSUER	SECTOR	COUPON	MATURITY	%
FAURECIA	Automotive	3.75%	15/06/2028	1.18%
LEVI STRAUSS & CO	Retailers	3.38%	15/03/2027	1.18%
ALTICE FRANCE SA	Wireless	4.13%	15/01/2029	1.11%
IQVIA INC	Healthcare	2.88%	15/09/2025	1.11%
INTERTRUST	Consumer Services	3.38%	15/11/2025	1.11%
TELECOM ITALIA	Wirelines	2.88%	28/01/2026	1.11%
EDREAMS ODIGEO	Consumer Services	5.50%	01/09/2023	1.10%
RENAULT SA	Automotive	2.38%	25/05/2026	1.00%
DARLING GLOBAL	Food and Beverage	3.63%	15/05/2026	1.00%
SES SA	Cable Satellite	2.88%	Perp	0.99%

5 largest overexposures³

ISSUER	SECTOR	OVER EXPOSURE
TELEFONICA	Wirelines	1.95%
FAURECIA	Automotive	1.06%
LEVI STRAUSS & CO	Retailers	1.05%
ALTICE FRANCE	Wireless	1.03%
EDREAMS ODIGEO	Consumer Services	0.99%

5 largest underexposures³

ISSUER	SECTOR	UNDER EXPOSURE
NETFLIX INC	Media Entertainment	-1.56%
AUTOSTRADE	Transportation Services	-1.24%
EDP	Electric	-0.96%
REPSOL INTL	Integrated	-0.88%
FORD MOTOR	Automotive	-0.87%

Risk indicators

YEAR	VOLATILITY*		TRACKING ERROR	INFO. RATIO.	BETA
	FUND	INDEX			
Since inception	4.48%	4.77%	0.62%	0.06	0.92
YTD 2021	1.39%	1.33%	0.27%	-2.07	1.01
2020	8.77%	9.32%	1.03%	2.54	0.92
2019	2.07%	2.24%	0.47%	-3.73	0.88
2018	2.00%	2.18%	0.44%	0.78	0.88

*Based on weekly NAVs, the volatility of the Fund may not only reflect the volatility of the securities in the portfolio due to the application of the swing pricing mechanism.

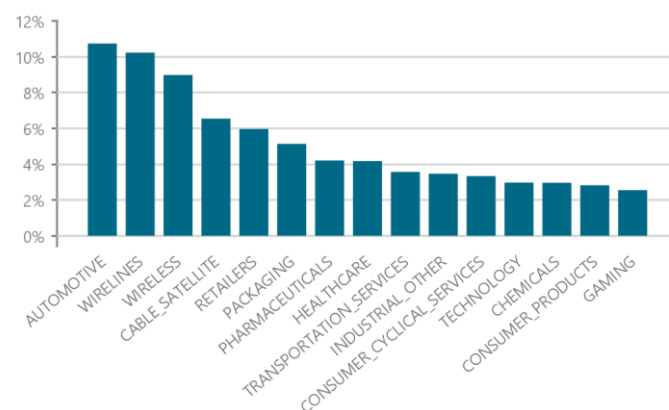
³ % of the AuM

⁴ Bloomberg sectors

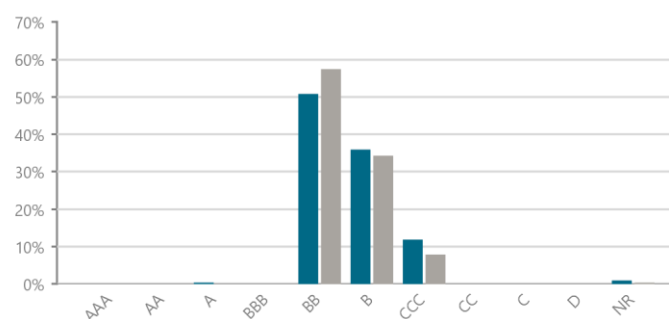
⁵ Based on the worst rating from S&P and Moody's

■ Fund
■ index = Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Bloomberg code: H20718EU Index)

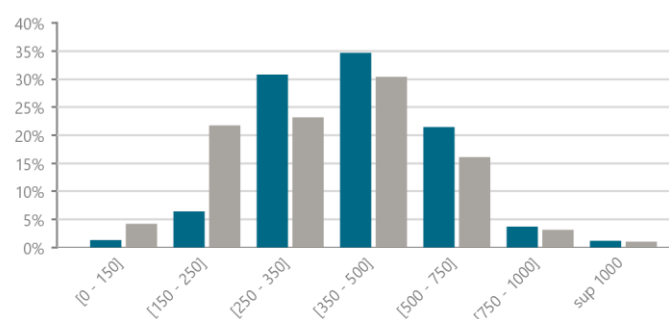
Top 15 sectors⁴



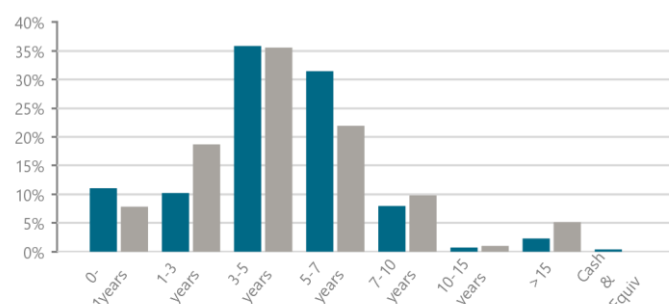
Breakdown by rating^{3,5}



Breakdown by OAS (in bps)³



Breakdown by maturity bucket³



Characteristics

ISIN CODE

IC EUR share LU1497740842

BLOOMBERG CODE

IC EUR share SCEICEC LX Equity

FUND NAME

SCOR FUNDS - EUROPE HIGH YIELD

LEGAL FORM

Sub-fund of a Luxembourg-based SICAV, under the directive 2009/65/EC (UCITS)

INCEPTION DATE

IC EUR share 24/07/2017

FUND CURRENCY

EUR

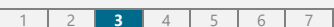
RECOMMENDED INVESTMENT HORIZON

3 years minimum

INDEX

Bloomberg Pan Europe HY 2.5% Iss Constr x Fin TR Index Hedged EUR (Bloomberg code: H20718EU Index)

RISK AND REWARD PROFILE



 ↙ For a lower risk, typically lower rewards
 ↘ For a higher risk, typically higher rewards

VALUATION FREQUENCY

Daily (D)

SWING PRICING

Swing Pricing mechanism effective as of February 1, 2021

SUBSCRIPTION / REDEMPTION

Orders received each D day before 12:00 p.m. (Paris time), executed on NAV D day

SETTLEMENT AND DELIVERY

D+2 / D+2

ONGOING CHARGES

0.67% VAT incl. (for the year 2020)

PERFORMANCE FEES

None

SUBSCRIPTION / REDEMPTION FEES

Maximum 3.00% / none

CUSTODIAN

BNP Paribas Securities Services, Luxembourg

DELEGATED ACCOUNTING MANAGEMENT

BNP Paribas Securities Services, Luxembourg

COUNTRIES OF COMMERCIALIZATION

BE, FR, LU, MC*, UK

*Only with approved local entities

Market review

The Euro High Yield market posted a negative performance of 44 bps during the month, its sharpest decline since September 2020. Thirty-day realized volatility stood at more than 2%, its highest level so far this year. The OAS vs. Bund widened by 42 bps to 340 bps, as swap spreads moved significantly during the month, while the OAS vs. swap widened by only 10 bps to 295 bps. The yield-to-worst stood at more than 3%, higher than at beginning of the year.

Macroeconomic factors were the principal elements of confusion leading to this rise in volatility. On the one hand, inflation statistics and economic activity, combined with hawkish comments from members of the ECB and the Fed have caused two-year yields to firm, while on the other hand fears sparked by the new variant have depressed long-term yields once again. In the end, yield and credit curves flattened significantly. BB-rated securities are yielding 1-2% in the two-year range, whereas they yielded less than 50 bps only a short while ago.

From a sectoral point of view, companies related to economic reopening, such as TUI Cruise, Lufthansa, British Airways and Carnival, were hit hard by new developments with regard to the pandemic. Results in the automotive sector also weighed on issuers such as Standard Automotive, Antolin and Faurecia, the last of which has lowered its full-year guidance again. On the M&A front, KKR's interest in Telecom Italia hints at a scenario similar to that of Iliad for the bonds, whose longest durations have declined by nearly 10 points. Conversely, the British Telecom hybrid bounced back sharply following the adoption of a change-of-control clause as a protection against Patrick Drahi increasing his stake in the company.

The primary market is active but focused on BB-rated issuers, such as Accor, Lufthansa, Verallia and Rexel. A Lottomatica bond was issued at more than 8% with a PIK-Toggle feature; its purpose is to fund dividend payments to shareholders. Primary market volume for the year is nearly EUR 150 billion, almost 50% higher than the previous record. Projections are high for European issues in 2022, because the M&A theme alone might contribute EUR 50 billion in new issues through secondary LBOs, carve-outs or delistings.

After November's peak in volatility, the high-yield market should stabilize in December 2021, especially as the number of earnings announcements will also subside. In addition, numerous raw material prices, such as oil and gas, are loosening, which should calm fears, at least temporarily, that inflation will impact issuers' margins.

Fund manager's comment

The SCOR Europe High Yield fund returned a negative performance -0.49%, in November 2021. The year-to-date performance is up +2.14%.

The fund's beta was maintained at around 105% throughout the month. This overweighting had a negative contribution but was offset by individual positions in the fund.

The fund's underweighting in transportation services contributed positively, despite its overweighting on Lufthansa, which posted the worst performance in the sector owing to the considerable resurgence of Covid-19 in Germany. The fund's selection of securities in the auto/auto parts segment contributed positively. The fund steered clear of the most heavily indebted issuers, and those unable to pass on cost increases to their customers, such as Faurecia (second profit warning) and Standard Profile Automotive (disappointing earnings). Lastly, the fund's overweighting in the British Telecom hybrid contributed, relative to the index, following the announcement of a new change-of-control clause in its bond agreements.

On the fund management side, CBR Fashion was sold in advance of its earnings announcement. The company has been hit hard by supply problems affecting many companies. The fund's exposure to Autostrade per l'Italia was also reduced, in light of recent market prices. The fund took part in the Accor and Telefonica hybrid primary market issues, after tendering called bonds.

The fund did not participate in the UGI and Naturgy hybrid issues, as they are on our excluded list.

The fund's beta remained slightly above 100%. Volatility is expected to subside, along with cash and the slowdown already observed in the primary market. Sectoral weightings will be adjusted ahead of the recovery expected in early 2022.

Disclaimer

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Source: SCOR Investment Partners, unless otherwise specified.

Main risk factors

Risk of capital loss: There is a risk that the capital initially invested will not be fully recovered on redemption.

Risk linked to discretionary management: The management style is discretionary, which means that the portfolio management company may move away from the composition of the benchmark in accordance with its beliefs concerning issuers or its market anticipations. There is a risk that the Fund will not be invested at all times in the best performing securities and that the Fund's performance will differ significantly from that of the benchmark.

Interest rate risk: Since the portfolio is principally invested in fixed rate securities, Fund unitholders are exposed to interest rate risk. This corresponds to the risk of a fall in value of rate instruments due to interest rate variations and is measured by interest rate sensitivity. In periods of increased interest rates, the net asset value of the Fund may decrease significantly.

Credit risk: Deterioration in the solvency of an issuer may provoke a fall in the value of the securities that it has issued, and subsequently in the net asset value of the Fund. This risk is measured by credit sensitivity. In the event of default on payment, the value of the securities may be zero.

Risk linked to speculative securities: Due to the historically greater risk of default on speculative securities than on non-speculative securities, investment in high yield or non-rated securities may increase the credit risk and may lead to a significant and rapid fall in the net asset value of the Fund.

Emerging market risk: Due to the historically greater risk of default for non-OECD (emerging) securities than for OECD securities, investment in non-OECD (emerging) securities may increase the credit risk and may lead to a significant and rapid fall in the net asset value of the Fund.

Counterparty risk: This risk relates to the possibility of default by a counterparty, leading to payment default. Payment default by a counterparty may lead to a fall in the net asset value of the Fund.

Share market risk: The value of the Fund may fall in the event of a fall in the share market and/or a fall in value of specific securities held by the Fund.

Currency risk is hedged, therefore the currency risk is residual. However, it is important to note the residual currency risk that could result from an imperfect hedge. This risk could lead to a fall in net asset value.

Refer to the fund latest prospectus for the comprehensive list of associated risks.